Production by Small Scale Industries

3036. SHRI B. SATYANARAYAN REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have reserved, certain items for production exclusively by the small industries and also fixed the maximum limits of production by the multinationals against the reserved products;

(b) if so, what are the details and what is the annual production capacities of these multinational companies;

(c) whether all multinational companies, particularly, Colgate-Palmolive, have been and are violating Government laws and directives with impunity by doing illegal production in items reserved for the small industries and causing loss of crores of rupees to Government every month;

(d) if so, what are the details and the loss incurred to Government exchequer; and

(e) what action is being taken against those companies indulging illegal production and the steps taken or proposed to be taken by Government to give required protection to the small industries?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) Reservation of specified articles for exclusive manufacture by small scale industrial undertakings is made under Section 5 of the Industries (Development and Regulation) Amendment Act, 1984. As on date, 835 items are reserved for such manufacture in the small scale sector. If an Industrial undertaking other than a small scale industrial undertaking was manufacturing an item reserved for the small scale sector prior to the date of reservation of that item, it can continue to manufacture the item after obtaining a COB licence. The capacity in the COB licence is pegged at the best production level achieved by that undertaking in the three years preceding the date of reservation of the item.

(c) and (d) It has not come to the notice of the Government that all multinational companies are violating the small scale reservation policy of the Government and thereby causing financial loss to the Government. However, in the case of M/s. Colgate Palmolive (India) Ltd., Government was contemplating legal action against the company on the ground of violation of the provisions of the Industries (Development and Regulation) Act, 1951, in respect of their licensed capacity for tooth powder and tooth paste. The company filed a writ petition in the Delhi High Court and obtained a Stay Order restraining the Government from proceeding against them. The matter, therefore, is sub-judice.

(e) To look into complaints of violation of reservation policy, Government have constituted a Committee to check entry/expansion of large/medium scale units into the areas reserved for the small scale sector. Violation of the provisions under the reservation policy is punishable under Section 24 of Industries (Development and Regulation) Act, 1951.

Industrial growth centre in Amritsar

3037. SHRI HARVENDRA SINGH HANSPAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether the PHD Chambers of Commerce and Industry has strongly urged the Government to set up an industrial growth centre in Amritsar besides five other such centres in the State of Punjab; and

(b) if so, what is the action of the Central Government thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY